

PLAS Program Management Center  
Defense Contract Management Command

PLAS - O - GRAM <98-12> Direct / Indirect in PLAS and Unit Cost

PLAS People,

Through feedback via the PLAS Helpline, we are aware of some confusion from the overuse of the term 'indirect' in the PLAS and Unit Cost worlds.

In PLAS, the terms "Direct" and "Indirect" were OneBook categorizations that differentiated processes for which there were OneBook chapters (Direct) from those processes with no detailed OneBook discussion (Indirect). Since the standup of the PLAS Program Management Center, indirect effort has been defined as that work charged to PLAS processes numbers greater than 190. Time charged to processes numbers lower than 190 was labeled Direct.

In the Unit Cost world, efforts charged to the General Management cost pool have also been labeled indirect in guides, charts and spreadsheets. While General Management includes all processes greater than 190 (less the 217 Training codes and process 250 – Travel), it also includes processes:

- 004 Customer Outreach
- 005 Reimbursable Business Development
- 006 Reimbursable Contract Administration Services
- 011 Management Control & Assessment Process

Travel (Process 250) and Training (217 Series) are charged to Cost Pool for which the training or travel occurred. For Unit Cost only the Travel or Training done for General Management is classified as Indirect.

Now that we have identified the source of possible confusion let's provide some definitions.

**In PLAS, Direct effort refers to all time charged to process numbers less than 190. Indirect effort consists of time charged to processes greater than 190.**

**For Unit Cost purposes, Indirect costs consist of all charges to the General Management cost pool plus that portion of Travel and Training attributable to General Management. The General Management cost pool rolls up all efforts charged to processes greater than 190 (less Travel - Process 250 and Training - 217 Series) in addition to processes 004, 005, 006, 011. Direct costs encompass everything but the General Management pool and its associated Travel & Training.**

Future briefings, releases of help screens, guidebooks, and training material will be drafted in accordance with these definitions.

Please be sure to share this information with your local Unit Cost focal point. Questions? Contact us at 1-888-PLASINFO or PLASHELP@dcmddc.dla.mil.

Respectfully,

Don Peterson  
PLAS Program Manager